

**MINUTES
OF THE REGULAR MEETING OF THE
EDINA CITY COUNCIL HELD AT CITY HALL
FEBRUARY 3, 1997 - 7:00 P.M.**

ROLLCALL Answering rollcall were Members Faust, Hovland, Kelly, Maetzold and Mayor Smith.

CONSENT AGENDA ITEMS APPROVED Motion made by Member Maetzold and seconded by Member Hovland to approve and adopt the consent Agenda items as presented except award of bid for III.A, 1997 Fertilizer for Braemar and Fred Richards Golf Courses and III.B, five full- size police squad cars.

Rollcall:

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Motion carried.

MESSAGE RECEIVED FROM CONGRESSMAN MARTIN SABO Kathleen Anderson of Congressman Sabo's office said their office moved and gave the new address. She explained the Congressman's district represents approximately one-third of Edina's residents and is oriented toward constituent services. One focus during the 104th Congress of special interest to Edina was the attempt to find funding for the regional training facility. Pursuit of funding will be continued during the 105th Congress.

***MINUTES OF THE REGULAR MEETING OF JANUARY 21, 1997, APPROVED** Motion made by Member Maetzold and seconded by Member Hovland approving the Minutes of the Regular Meeting of January 21, 1997.

Motion carried on rollcall vote - five ayes.

COMPREHENSIVE PLAN AMENDMENT - QUASI PUBLIC TO OFFICE (7128 FRANCE AVENUE SOUTH) SITE OF LUTHERAN CHURCH OF THE MASTER, PINEHURST PROPERTIES JANUARY 31, 1997 REQUEST FOR WITHDRAWAL ACKNOWLEDGED Member Hovland made a motion to acknowledge the January 31, 1997, request for withdrawal of the Comprehensive Plan Amendment for 7128 France Avenue South, site of Lutheran Church of the Master, Pinehurst Properties, submitted by Leonard, Street and Deinard, Attorneys for Lutheran Church of the Master and Pinehurst Properties. Member Maetzold seconded the motion.

Rollcall:

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Motion carried.

PRELIMINARY REZONING FROM R-1 SINGLE DWELLING UNIT DISTRICT TO POD-1, PLANNED OFFICE DISTRICT (7128 FRANCE AVENUE SOUTH) SITE OF LUTHERAN CHURCH OF THE MASTER, PINEHURST PROPERTIES JANUARY 31, 1997, REQUEST FOR WITHDRAWAL ACKNOWLEDGED Member Kelly made a motion to acknowledge the January 31, 1997, request for withdrawal of the Preliminary Rezoning from R-1 single dwelling unit district at 7128 France Avenue South, site of Lutheran Church of the Master, Pinehurst Properties, submitted by Pinehurst Properties submitted by Leonard, Street and Deinard, Attorneys for Lutheran Church of the Master and Pinehurst Properties. Member Faust seconded the motion.

Rollcall:

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Motion carried.

FINAL PLAT APPROVAL GRANTED FOR WARDEN ACRES HALLGREN ADDITION (5809 JOHNSON DRIVE) ERNEST HALLGREN Affidavits of Notice were presented, approved and ordered placed on file.

Presentation by Planner

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Planner Larsen explained the subject property, a developed single dwelling property with a frontage on Johnson Drive, received preliminary plat approval last November. The lot measures 100 feet by 238 feet with a total lot area of 24,817 square feet. The proposed subdivision would create one new buildable lot accessing Oak Lane through an unimproved road easement. The Zoning Ordinance requires lots to have a minimum frontage of 30 feet on an improved public street. Therefore, the proponents have requested a variance allowing the new lot to be served by a driveway from the existing cul de sac. Planner Larsen clarified the extension of Oak Lane south and then easterly to connect with Garden Avenue had been anticipated when earlier subdivisions were platted. If the extension of Oak Lane is completed, the proposed new lot would access Oak Lane.

Planner Larsen added the proposed lots are essentially the same size as the two lots to the immediate north and are compatible in size with most lots created in the Oak Lane/Garden Avenue area over the last fifteen years. However, both proposed lots require lot depth and lot area variances because the current Subdivision Ordinance, adopted in 1990, changed the design standard.

Planner Larsen noted City utilities do not serve the proposed lot. The City Engineer would require extending the existing sewer and water in Oak Lane fifty feet south to serve the lot.

Planner Larsen concluded recommending the Council approve the Final Plat subject to: Developers Agreement covering the extension of utilities and acknowledgment of future assessment for street improvement and Subdivision Dedication based on an unimproved land value of \$85,000.

Proponent Comment

Ernest Hallgren, 5809 Johnson Drive stated he accepted all the conditions placed upon the subdivision of his property. Mr. Hallgren said staff had informed him of utility installation costs and the potential for a future special assessment and he accepts them. He also asked whether he would be liable for the future street assessment. Staff explained that payment of a future assessment is a decision to be worked out between Mr. Hallgren and his future owner.

Member Faust asked how far Oak Lane would be extended and whether it would have curb and gutter? Planner Larsen replied at this time no extension is planned. However, in the future Oak Lane could be extended to connect with Garden Avenue.

Mayor Smith explained that subdivision dedication based on \$85,000 is \$6,800.00

Member Hovland introduced the following resolution and moved its adoption subject to subdivision dedication of \$6,800 and developers' agreement covering the extension of utilities and acknowledgment of future assessment for street improvement:

RESOLUTION APPROVING FINAL PLAT FOR WARDEN ACRES HALLGREN REPLAT

BE IT RESOLVED by the City Council of the City of Edina, Minnesota, that that certain plat entitled " WARDEN ACRES HALLGREN REPLAT," platted by Ernest Hallgren, on February 3, 1997, be and is hereby granted preliminary plat approval.

Member Maetzold seconded the motion.

Rollcall:

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Motion carried.

***HEARING DATE SET FOR PLANNING MATTERS Motion made by Member Maetzold and seconded by Member Hovland setting February 18, 1997, as hearing date for the following planning matters:**

- 1) Final Development Plan for 3700 West 69th Street - Southdale Center, generally located north of West 69th Street and east of France Avenue;**
- 2) Amendment to Zoning Ordinance Section 850.15, Subd. 5, Requirement for Building Coverage, Setbacks and Height.**

Motion carried on rollcall vote - five ayes.

BID AWARDED FOR 1997 SUPPLY OF FERTILIZER FOR BRAEMAR AND FRED RICHARDS GOLF COURSES Member Hovland requested removal of Agenda Item III.A., 1997 award of bid for supply of fertilizer for the Braemar and Fred Richards Golf Courses from the consent agenda and questioned why there was only one bidder. Manager Rosland explained Hennepin County solicits bids from many vendors before a bid is awarded to one. Edina is a member of the Hennepin County Purchasing Cooperative and therefore able to purchase from their selected vendors at very competitive pricing.

Motion of Member Hovland and seconded by Member Maetzold for award of bid for 1997 supply of fertilizer for Braemar and Fred Richards Golf Courses to Turf Supply Company through Hennepin County Bid #3140A4, at \$20,870.00.

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Motion carried.

BID AWARDED FOR FIVE FULL-SIZED POLICE CARS Member Hovland requested removal of Agenda Item III.B., the purchase of five full-size police squad cars award of bid from the consent agenda. He asked why only one bid was acquired. Manager Rosland explained the five cars are being replaced following the standard replacement schedule. Chief Bernhjelm added squads are normally kept for two years after which they are auctioned off through the Hennepin County auction. Currently, Ford is the only manufacturer of squad cars. The squads are being purchased through the State of Minnesota Cooperative Purchasing Program that is similar to the Hennepin County Program and the State has a Contract with Superior Ford.

Member Kelly made a motion for award of bid for five full-size police squad cars to Superior Ford through Minnesota Cooperative Purchasing Agreement Contract #4139891 at \$98,800.00. Member Maetzold seconded the motion.

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Motion carried.

***AWARD OF BID FOR 1997 POLICE UNIFORMS AND EQUIPMENT** Motion of Member Maetzold seconded by Member Hovland for award of bid for purchase of 1997 police uniforms and equipment to Uniforms Unlimited for one year from March 1, 1997 to March 1, 1998.

Motion carried on rollcall vote - five ayes.

***AWARD OF BID FOR THREE TANDEM AXLE TRAILERS** Motion of Member Maetzold seconded by Member Hovland for award of bid for purchase of three tandem axle trailers to Long Lake Tractor Equipment through Minnesota State Contract #153-0-02814A at \$10,407.20.

Motion carried on rollcall vote - five ayes.

***APPROVAL OF CITY'S GENERAL RECORDS RETENTION SCHEDULE** Motion of Member Maetzold seconded by Member Hovland approving the proposed addendum to the General Records Retention Schedule as presented.

Motion carried on rollcall vote - five ayes.

APPOINTMENTS TO COMMUNITY COUNCIL APPROVED Manager Rosland reported the Human Relations Commission's recommendation of January 21, 1997, that the following appointments be made to the Edina Resource Center's Community Council:

- (2) Human Relations Commission - SHARON MING and NANCY ATCHISON
- (1) Health Advisory - SHARON MARX
- (1) Provider - KEN KANE (Edina Police Department)
- (1) Senior Citizen - TOM OYE
- (1) Religious Community - SHIRLEY HUNT-ALEXANDER
- (1) Business - Chamber of Commerce recommendation

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The Community Council will serve as an advisory body to Edina's new Community Resource Center, a product of the Family Services Collaborative. Appointments made by the School Board are:

Special Education - PEGGY KELLY and MARCIA CARTHAUS

Parent - LIBBY HORNE

Storefront Provider - SHEILA KOSEK

Fairview Southdale - LINDA PACKARD

(2) Youth - TO BE DETERMINED

As the Community Council relates to the Resource Center, it will assess needs, set goals, evaluate progress and develop evaluation guidelines for funding local services. The Community Council will report to the Human Relations Commission.

At the Community Council's first meeting February 13, the members will begin drafting bylaws, determining term limits and scheduling meeting times. They will have the following staff representation:

City of Edina - KEN ROSLAND and SUSAN WOHLRABE

Assistant Principal of South View - BETH RUSSELL

Community Education Services - NANCY DELIN

Director of the Edina Community Resource Center - SANDRA STEVENSON

Director of the Family Services Collaborative Support Hub - ANN BOERTH

Bloomington Public Health - GAYLE HALLIN

Member Maetzold made a motion approving the recommended appointments to the Edina Resource Center's Community Council; Human Relations Commission, Sharon Ming and Nancy Atchison; Health Advisory, Sharon Marx; Provider, Ken Kane (Edina Police Department); Senior Citizen, Tom Oye; Religious Community, Shirley Hunt-Alexander. Member Faust seconded the motion.

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Motion carried.

APPOINTMENT MADE TO FILL UNEXPIRED TERM ON PLANNING COMMISSION; REAPPOINTMENTS MADE TO 1997 BOARDS/COMMISSIONS/COMMITTEES

Mayor Smith indicated his intention to appoint John Lonsbury to fill the unexpired term of Nan K. Faust on the Planning Commission to February 1, 1999. Discussion followed on the appointment/reappointment process for advisory boards, commissions and committees.

Member Maetzold made a motion appointing John Lonsbury to fill the unexpired term on the Planning Commission to February 1, 1999. Member Faust seconded the motion.

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Motion carried.

Member Kelly reiterated the importance of attendance at boards, commissions and committee meetings and stressed how significant the commitment is.

Manager Rosland explained the attendance policy and suggested if it becomes a concern, a letter of warning could be sent from the Mayor's office.

Member Faust said when an illness occurs, that should be an attendance exception.

Member Maetzold noted the process is good but a warning letter could be issued if there seems to be a lack of commitment. In the case of a temporary illness, an excuse could be granted by the Council.

Member Kelly suggested new and reappointed members be encouraged to review the commitment policy and said staff should not have to police the members of the boards, commissions and committees.

Mayor Smith pointed out that staff keeps the attendance records. He suggested a letter be sent to all members encouraging them to review Code Section 180, the attendance policy.

Motion made by Member Hovland for consent of the Mayor's reappointment of individuals to advisory boards/commissions/committees as follows:

ART CENTER COMMITTEE - 3 year term to 2/1/00

Sandra Clark, Heather Randall-King, James Van Valkenburg

COMMUNITY HEALTH SERVICES ADVISORY COMMITTEE - 2 year term to 2/1/99

Douglas Lambert, Pamela Nelson, Audrey Runyan

CONSTRUCTION BOARD OF APPEALS - 3 year term to 2/1/00

Bruce Bermel, Ronald Clark

HERITAGE PRESERVATION BOARD - 2 year term to 2/1/99

John McCauley, Herman Ratelle, Lois Wilder, Donald Wray

HUMAN RELATIONS COMMISSION - 3 year term to 2/1/00

Betsy Flaten, Thomas Oye, Ardis Wexler

PARK BOARD - 3 year term to 2/1/00

Becky Bennett, John Dovolis, Bill Jenkins

PLANNING COMMISSION - 3 year term to 2/1/00

Lorelei Bergman, Helen McClelland, David Runyan

RECYCLING AND SOLID WASTE COMMISSION - 2 year term to 2/1/99

Kathryn Frey

REGIONAL CITIZEN ADVISORY COMMISSION (of SHeRPA) - 2 year term to 2/1/99

Betsy Flaten

ZONING BOARD OF APPEALS - 3 year term to 2/1/00

Michael Lewis

Member Maetzold seconded the motion.

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Motion carried.

UPDATE GIVEN ON EDEN AVENUE REDEVELOPMENT Planner Larsen reminded the Council of the approval granted in July 1996 calling for an expansion and upgrading of the existing Kunz warehouse operation and redevelopment of the Lewis property with a six building 85,000 square foot office development. The HRA agreed to commit approximately \$200,000 toward the redevelopment. The City was recently advised that the deal has collapsed and the office developer's purchase agreement has expired. Since all the conditions imposed by the Council, namely recording the plat, were not satisfied, the property has not legally been rezoned. Consequently, the property is still zoned industrial.

Planner Larsen pointed out that a mini-storage warehouse developer who is relying on the industrial zoning has approached staff. This developer has a purchase agreement with Lewis, but not with Kunz. Staff has not reviewed any plan, but understands the developer intends to develop only part of the property initially. Planner Larsen said he informed the developer he would support neither an industrial use nor an incremental development of the property. However, since the property is zoned industrial, it may be difficult denying development that would require no variance.

Following a brief Council discussion, condemnation of the subject property was mentioned as an option with funding facilitated through a bond sale. It was further suggested this condemnation could include the school bus garage located across the street as well.

Assistant Manager Hughes noted further information and a staff recommendation would be forthcoming at the February 18, 1997, regular Council meeting regarding the redevelopment.

REQUEST FROM FAIRVIEW HOSPITAL AND HEALTHCARE SERVICES REPORTED Assistant Manager Hughes explained a letter dated January 30, 1997, was received from Fairview Hospital and Healthcare

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Services reminding Council of their approval, December 2, 1996, for issuance by the City of Minneapolis revenue bonds for Fairview Hospital and Healthcare Services. The proposed bond sale would finance improvements at Fairview Southdale Hospital and to refund bonds issued by the City of Edina in 1989 for Fairview to finance improvements at Fairview Southdale Hospital. He told that Minneapolis, as issuer, has fallen apart and Fairview has asked Edina to issue the bonds. Money acquired from the sale would be used to finance Fairview Southdale improvements and refunding of the 1989 Edina/Fairview bonds, 2) costs of acquisition of Fairview of the University of Minnesota Hospital and Clinic; 3) construction and equipping by Fairview of a new hospital and medical clinic in Wyoming, Minnesota and improvements to Chisago Clinic in Chisago, Minnesota and 4) the refunding of bonds issued by the City of Hibbing in 1978 for the Mesabi Medical Center in Hibbing, Minnesota (Mesabi Medical Center became affiliated with Fairview as part of the University of Minnesota Hospital/Fairview merger) to improve the Hibbing and Chisago Lakes Hospitals and also Fairview Southdale.

Assistant Manager Hughes noted in April 1995, Tax-Exempt Revenue Bond Financing Guidelines were approved by the Council. One stipulation of the guidelines is that at least 51% of the bond proceeds must be directed to projects within Edina. The proposal from Fairview would break down Edina's portion at less than 51%.

Manager Rosland explained that policy guidelines should be followed and money generated from the bond sale could be used to fund Edina projects which would not go against the debt load. The amount Edina would receive could be as much as one-half of one percent of the total sale.

Following a brief Council discussion, Attorney Gilligan was directed to converse with Fairview Southdale Hospital regarding the proposal, to acquire the issuance fee and what costs the City of Edina would save as issuer of the bonds.

No further action was taken.

RESOLUTION APPROVING AUTHORIZING ISSUANCE, AWARDED SALE AND PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$5,000,000.00 IN GENERAL OBLIGATION TEMPORARY TAX INCREMENT FINANCING BONDS SERIES 1997A

Assistant Manager Hughes told that staff has been advised by representatives of United Properties that it intends to proceed with the construction of the second office building at Centennial Lakes. This building would be a mirror image of the building now under construction at France Avenue and Minnesota Drive and would measure approximately 130,000 square feet in floor area. United Properties intends to submit final development plans to the Planning Commission and City Council for consideration at their respective meeting in February and March.

Late last year, the HRA, United Properties and Centennial Lakes Limited Partnership (the sellers of the property) entered into agreements formalizing their respective obligations with respect to the remaining development of Centennial Lakes. Under the terms of these agreements, the HRA is obliged to acquire the property for the public ponding area located south of West 76th Street and undertake initial park improvements for the area adjoining the Phase 1 and 2 office buildings. The HRA envisioned that such an acquisition and park improvements would be financed by way of general obligation tax increment bonds which would be repaid with tax increments from Centennial Lakes.

Staff has met with representatives of Springsted, Inc. (our financial consultant for bond issues) and Attorney Gilligan concerning the issuance of general obligation bonds assuming that the project in fact proceeds. After reviewing our situation, Springsted recommends that the City issue bonds which would be purchased by the HRA instead of embarking on a public offering of bonds at this time. This recommendation was based upon the rather generous fund balance of the HRA held in the 50th and France tax increment district. This district is presently "pooled" with the Edinborough and Centennial Lakes districts. The recommended bond would be temporary in nature, i.e. three years, and could be replaced with a longer term bond at any time.

Attorney Gilligan has prepared a resolution authorizing the issuance of the temporary bond. Staff recommends adoption of the resolution.

Following a brief Council discussion, **Member Kelly** introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE
PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR
THE PAYMENT OF \$5,000,000 IN GENERAL OBLIGATION
TEMPORARY TAX INCREMENT BONDS, SERIES 1997A**

BE IT RESOLVED by the City Council of the City of Edina, Minnesota (the Issuer), as follows:

Section 1. Authorization and Sale.

1.01. Authorization. This council hereby determines that it is necessary and in the best interests of the Issuer to issue and sell \$5,000,000 aggregate principal amount of General Obligation Temporary Tax Increment Bonds, Series 1997A (the Bonds) pursuant to Minnesota Statutes, Section 469.178, subdivision 5(a) to finance the costs of acquisition of property for a public park and ponding area and costs of construction of improvements of such property (such acquisition and improvements are herein called the "Park Improvements") to be undertaken by the Housing and Redevelopment Authority of Edina, Minnesota (the "HRA") as a part of the Southeast Edina Redevelopment Project of the HRA.

1.02. Sale. The Bonds will be purchased by the HRA at a price of \$5,000,000 plus accrued interest, if any to the closing date with surplus funds on hand in the project fund for the 50th and France Tax Increment Financing District of the HRA (the "Fund") which are not presently needed for the purposes of said Fund prior to the maturity of the Bonds. After issuance the Bonds will be held as an asset of the Fund. The Issuer has retained Springsted Incorporated, as an independent financial advisor in connection with the sale of the Bonds. Pursuant to Minnesota Statutes, Section 475.60, subdivision 2, paragraph (9), the requirements as to public sale do not apply to the sale of the Bonds.

Section 2. Bond Terms; Registration; Execution and Delivery.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the City Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturity Date; Interest Rate; Denominations and Payment. The bonds shall be originally dated as of the date of original issuer thereof, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on three years from their date of issue, and shall bear interest from date of issue until paid or duly called for redemption at the annual rate of 4½% which annual rate the Issuer, upon consultation with its financial advisor, has determined to be a fair rate of interest in light of current market conditions. The Bonds shall be issuable only in fully registered form and only to the HRA. The Bonds may not be transferred to any other owner; however the Issuer may refund the Bonds and reimburse the HRA by the issuance of long term bonds of the Issuer or additional temporary bond of the Issuer in accordance with the provisions of Minnesota Statutes, Section 460.178, subdivision 5(a). The principal of and the interest on the Bonds shall be payable by transfer of funds from the Bond Fund created in Section 3.02 hererof to the HRA.

2.03. Interest Payment Dates. Interest on the Bonds shall be payable on each August 1 and February 1, commencing August 1, 1997, and on the maturity date of the Bonds, to the HRA as the registered owner of the Bonds.

2.04. Redemption. The Bonds shall be subject to redemption and prepayment at the option of the Issuer, in whole or in part, and if in part in multiples of \$5,000, on any date at a price equal to

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the principal amount thereof and accrued interest to the date of redemption. No formal notice of redemption need be given. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the HRA representing the remaining principal amount outstanding.

2.05. **Appointment of Paying Agent.** The Issuer hereby appoints the Finance Director of the City of Edina as the paying agent for the Bonds (the Paying Agent).

2.06. **Execution, Authentication and Delivery.** The Bonds shall be prepared under the direction of the Finance Director and shall be executed on behalf of the Issuer by the manual signatures of the Mayor and the City Manager. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery. When the Bonds have been prepared and executed, the Finance Director shall deliver the Bonds to the HRA upon payment of the purchase thereof.

2.07. **Form of Bonds.** The Bonds shall be prepared as a single typewritten bond in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN
CITY OF EDINA

GENERAL OBLIGATION TEMPORARY TAX INCREMENT BOND, SERIES 1997A

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
4.50%	_____, 2000	_____, 1997	N/A

REGISTERED OWNER: HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA

PRINCIPAL AMOUNT: FIVE MILLION DOLLARS (\$5,000,000)

THE CITY OF EDINA, COUNTY OF HENNEPIN, MINNESOTA (the Issuer), acknowledges itself to be indebted and hereby promises to pay to the registered owner named above the principal sum specified above on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above, payable on August 1 and February 1 of each year, commencing August 1, 1997,. and on the maturity date specified above to said registered owner subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

This Bond is one of an issue in the aggregate principal amount of \$5,000,000 issued pursuant to a resolution adopted by the City Council on February 3, 1997 (the Resolution) to provide funds to finance certain public improvements to be undertaken as a part of the Southeast Edina Redevelopment Project of the Housing and Redevelopment Authority of Edina, Minnesota (the "HRA") and is issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapters 469 and 475.

This Bond is subject to redemption and prepayment at the option of the Issuer, in whole or in part, and if in part in multiples of \$5,000, on any date, at a price equal to the principal amount thereof plus interest accrued to the date of redemption. No formal notice of redemption shall be required. Upon partial redemption of this Bond, a new Bond will be executed and registered in the name of the registered owner named above, representing the remaining principal amount outstanding.

THIS BOND MAY NOT BE TRANSFERRED TO ANY OWNER OTHER THAN THE HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA BUT THE CITY MAY REIMBURSE THE HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA AND REFUND THIS BOND

BY THE ISSUANCE OF LONG TERM BONDS OF THE ISSUER OR ADDITIONAL TEMPORARY BONDS OF THE ISSUER IN ACCORDANCE WITH THE PROVISIONS OF MINNESOTA STATUTES, SECTION 469.178, SUBDIVISION 5(a).

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that the Issuer has established its General Obligation Temporary Tax Increment Bonds, Series 1997A Bond Fund and has appropriated thereto ad valorem tax increments to be derived from the Centennial Lakes Tax Increment Financing District (Hennepin County No. 1201) and 50th and France Tax Increment Financing District (Hennepin County No. 1200) of the HRA to be applied to the payment of the principal of and interest on the Bond; that to the extent that the principal of and interest on the Bond cannot be paid when due from tax increment revenues or other funds appropriated for that purpose, the Bond shall be paid from proceeds of general obligation bonds of the Issuer offered for sale in advance of the maturity date of the Bond; but the Issuer has pledged its full faith and credit and taxing powers for the payment of the principal of and interest on the Bond when due, and if the Bond and the interest thereon are not paid in full when due, the Issuer is required to levy upon all taxable property within its corporate limits, without limitation as to rate or amount, an ad valorem tax in an amount sufficient to pay such principal and interest. It is further certified, recited, covenanted and agreed that if the Bond is not paid in full at maturity, in addition to any other remedy authorized or permitted by law, the Issuer may execute and deliver to the registered owner hereof, in exchange for the Bond on a par-for-par basis, new general obligation temporary tax increment bonds maturing within one year from their date of issue and bearing interest at the rate of interest set forth in the resolution authorizing their issuance, not exceeding the maximum rate permitted by law and that the issuance of this Bond, together with all other indebtedness of the Issuer outstanding on the date hereof and on the date of its actual issuance and deliver, does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Edina, Hennepin County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the signatures of the Mayor and City Manager and has caused this Bond to be dated as of the Date of Original Issue set forth above.

CITY OF EDINA, MINNESOTA

City Manager Mayor

Section 3. Security Provisions.

3.01. General Obligation Temporary Tax Increment Bonds, Series 1997A Construction Fund. There is hereby established on the official books and records of the Issuer a General Obligation Temporary Tax Increment Bonds, Series 1997A Construction Fund (the Construction Fund). To the Construction Fund there shall be credited from the proceeds of the Bonds the sum of \$5,000,000 and from the Construction Fund there shall be paid by the City of HRA all costs and expenses of the Park Improvements and the issuance of the Bonds. After payment of all costs of the Park Improvements, the Construction Fund shall be discontinued and any Bond proceeds and other funds remaining therein shall be transferred to the General Obligation Temporary Tax Increment Bonds, Series 1997A Bond Fund.

3.02. General Obligation Temporary Tax Increment Bonds, Series 1997A Bond Fund. So long as any of the Bonds are outstanding and any principal of or interest thereon unpaid, the Treasurer shall maintain a separate debt service fund on the official books and records of the Issuer

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to be known as the General Obligation Temporary Tax Increment Bonds, Series 1997A Bond Fund (the Bond Fund), and the principal of and interest on the Bonds shall be payable from the Bond Fund. The Issuer irrevocably appropriates to the Bond Fund:

(a) any excess proceeds of the Bonds transferred to the Bond Fund pursuant to Section 3.01 above;

(b) ad valorem tax increments described in the last paragraph of this Section 3.02 to be received from the HRA;

(c) to the extent necessary, the proceeds from the sale of definitive general obligation tax increment bonds, or the proceeds of a series of additional general obligation temporary tax increment bonds, required to be sold by the Issuer in accordance with Minnesota Statutes, Section 469.178, subdivision 5, to provide funds for the payment of the principal of the Bonds at maturity and thereby reimburse the HRA; and

(d) the ad valorem taxes described in 3.03 hereof.

The moneys on hand in the Bond fund from time to time shall be used solely to pay the principal of and interest on the Bonds.

Pursuant to Minnesota Statutes, Section 469.178, subdivision 2, the Issuer has entered into a pledge agreement with the HRA whereby the HRA will pay to the Issuer from tax increments generated by the Centennial Lakes Tax Increment Financing District (Hennepin County No. 1203), the Southeast Edina-Edinborough Tax Increment Financing District (Hennepin County No. 1201) and the 50th and France Tax Increment Financing District (Hennepin County No. 1200) of the HRA tax increments sufficient, with any other funds appropriated by the Issuer to the Bond Fund, to pay when due the principal of and interest on the Bonds. Payments received by the Issuer pursuant to the agreement will be deposited into the Bond Fund.

3.03 Pledge of Taxing Powers. For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the Issuer shall be and are hereby irrevocably pledged. It is hereby determined that the funds appropriated to the Bond Fund as set forth in Section 3.02 hereof will produce amounts not less than five percent in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, and therefore no ad valorem taxes are required to be levied at this time. Nevertheless, if the balance in the Bond Fund is at any time insufficient to pay all interest and principal then due on all Bonds payable therefrom, the payment shall be made from any fund of the Issuer which is available for that purpose, subject to reimbursement from the Bond Fund when the balance therein is sufficient, and the City Council covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to take care of any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

3.04 Exchange of Additional Temporary Improvement Bonds. In accordance with Minnesota Statutes, Section 469.178, subd. 5, if the Bonds are not paid in full at maturity, in addition to any other remedy authorized or permitted by law, the Issuer may issue to the HRA, in exchange for the Bonds then held by the HRA on a par-for-par basis, new general obligation temporary tax increment bonds maturing within one year from their date of issue and bearing interest at the rate of interest set forth in the resolution authorizing their issuance, not exceeding the maximum rate permitted by law.

Section 4. Certification of Proceedings.

4.01. Registration of Bonds. The City Clerk is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Hennepin County and obtain a certificate that the Bonds have been duly entered upon the Auditor's bond register.

4.01. Authentication of Transcript. The officers of the Issuer and the County Auditor are hereby authorized and directed to prepare and furnish to the HRA and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates,

including any heretofore furnished, shall be deemed representations of the Issuer as to the correctness of all statements contained therein.

Adopted this 3rd day of February, 1997.

Member Maetzold seconded the motion.

Rollcall:

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Resolution approved.

CLAIMS PAID Member Hovland made a motion to approve payment of the following claims as shown in detail on the Check Register dated January 29, 1997, and consisting of 27 pages: General Fund \$306,540.26; C.D.B.G. \$113.00; Communications \$59.37; Working Capital \$7,327.73; Art Center \$8,745.55; Golf Course Fund \$9,474.66; Ice Arena Fund \$10,828.10; Gun Range Fund \$43.62; Edinborough/Centennial Lakes \$21,844.34; Utility Fund \$26,005.00; Storm Sewer Utility Fund \$1,447.58; Liquor Dispensary Fund \$166,462.86; Construction Fund \$18,638.94; Park Bond Fund \$11,201.92; **TOTAL \$588,732.93.** Member Maetzold seconded the motion.

Rollcall:

Ayes: Faust, Hovland, Kelly, Maetzold, Smith

Motion carried.

There being no further business on the Council Agenda, Mayor Smith declared the meeting adjourned at 9:33 P.M.

City Clerk